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June 29, 2010

VIA ELECTRONIC FILING

Ms. Jocelyn Boyd, Esquire
Interim Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Re: Application of Carolina Power and Light Company d/b/a Progress Energy Carolinas,
Incorporated for Approval of Its Demand-Side Management and Energy Efficiency
Rider DSM/EE-1
Docket No. 2010-161-E

Dear Ms. Boyd:

On May 3, 2010, Progress Energy Carolinas, Inc. ("PEC") filed an Application for approval of its DSM/EE-1 rider to recover the costs, net lost revenues and incentives associated with PEC's demand-side management and energy efficiency ("DSM/EE") programs.¹ PEC further requested its Rider DSM/EE-1 become effective July 1, 2010.

The Office of Regulatory Staff ("ORS") has not yet completed its review of PEC's original and supplemental filings in this docket.

In order to provide sufficient time for ORS to complete its review² and to allow PEC to implement its Rider DSM/EE-1 on July 1, 2010, the Parties request the Public Service Commission of South Carolina ("the Commission") allow Rider DSM/EE-1 to become effective on a provisional basis on July 1, 2010 at the levels requested by PEC in its Application and in Robert P. Evans' supplemental testimony. The Rider will be subject to refund with interest at the statutory rate³ should ORS find and the Commission

¹ PEC filed supplemental testimony and exhibits of Robert P. Evans on June 22, 2010.

² PEC seeks recovery for actual DSM/EE costs incurred from September 1, 2007 through March 31, 2010 and for forecasted costs covering the period of July 1, 2010 through June 30, 2011.

agree that PEC's costs are less than those upon which the Rider is based.⁴ Because the DSM/EE tariffs are for experimental purposes as approved by the Commission, the rates or tariffs may be put into effect without notice and hearing upon order of the Commission.⁵ The Commission approved this approach last year in Order No. 2009-435 in Docket No. 2009-191-E.

PEC has agreed to provide ORS with quarterly reports pertaining to Rider DSM/EE-1. Utilizing these reports, ORS will finalize its review of the actual costs from September 2007 to March 2010 and will address them in the 2011 cost recovery docket.

Respectfully submitted,

Shealy Boland Reibold

Shealy Boland Reibold

cc: Len Anthony, Esquire

³ The procedure for setting the statutory rate of interest is set forth in S.C. Code Ann. § 34-31-20 (Supp. 2009). The South Carolina Supreme Court set the 2010 statutory rate of interest at 7.25 percent. Order No. 2010-01-04-01 Interest Rate on Money Decrees and Judgments (January 4, 2010).

⁴ In such event, beginning with the first day of the calendar month 30 days following the Commission's decision, PEC will implement a revised Rider based upon the Commission approved reduced recoverable DSM/EE costs and further reduced by the amount PEC overcollected, with interest, between July 1, 2009 and the effective date of the revised Rider.

⁵ S.C. Code Ann. § 58-27-870 (F) (Supp. 2009).